



SA Community

Housing Performance

Report 2022-2024

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Message from the Registrar

I am pleased to present the SA Community Housing Performance Report 2022-2024. The annual report on the community housing sector in South Australia.

This sector report shows how Community Housing Providers (CHPs) have performed against key performance measures during the 2022-2023 financial year. It also highlights the sector's size, property portfolio, and the regulatory activities of the SA Registrar and staff during 2023-2024.

SA's CHPs continue to provide high standards of service delivery to their tenants, which is reflected in their complaint handling practices, responsiveness to tenant repair requests, and high tenant satisfaction ratings. This year vacancy turnaround times also improved significantly for the sector, reflecting efficiencies in tenant reletting practices.

CHPs for the most part also continue to maintain healthy financial buffers in the current economic environment.

During the year Registrars also completed a staged review of our performance metrics in consultation with the sector, resulting in revised eviction metrics and the collection of reasons for evictions in future years.

Registration enquiries have increased in South Australia as new and existing CHPs seek to register new entities to access the Federal Government's Housing Australia Future Fund Facility (HAFFF) and the Social Housing Accelerator Program. Registrars have developed a streamlined registration process to support these funding initiatives.

I would like to acknowledge the continued and valued input from the Office of Housing Regulation team, CHPs, industry peaks and the SA Housing Trust in ensuring a well governed, well managed and viable community housing sector that meets the housing needs of tenants and provides assurances for government and other investors into the sector.

Craig Thompson

Registrar for SA Community Housing



National Regulatory System for Community Housing (NRSCH)

Our vision

A **well governed**, well managed, scalable and **sustainable** community housing sector that meets the housing **needs of tenants** and provides **assurance** for government and investors.

Our objectives

- To provide a **consistent regulatory environment** to support the **growth and development** of the community housing sector.
- To pave the way for future housing **product development**.
- To **reduce** the regulatory **burden** on housing providers working across jurisdictions.
- To provide a **level playing** field for providers seeking to enter new jurisdictions.

Our regulatory principles



Proportionate – reflecting the scale and scope of regulated activities.



Accountable – able to justify regulatory assessments and be subject to scrutiny.



Consistent – based on standardised information and methods.



Transparent – clear and open processes and decisions.



Flexible – avoiding unnecessary rules about how housing providers organise their business and demonstrate compliance with the National Regulatory Code (NRC).



Targeted – focused on the core purposes of improving tenant outcomes and protecting government and investors' confidence.



Sector Report overview

The National Regulatory Code (NRC) requires registered CHPs to be well-governed, financially viable and to perform in compliance with standards to deliver quality housing services.

The NRC sets out the performance requirements that registered CHPs must comply with in providing community housing under the Community Housing Providers National Law (the “National Law”). It does not prescribe how CHPs should run their business but rather focuses on the achievement of outcomes in the following areas:

1. Tenant and housing services
2. Housing assets
3. Community engagement
4. Governance
5. Probity
6. Management
7. Financial viability

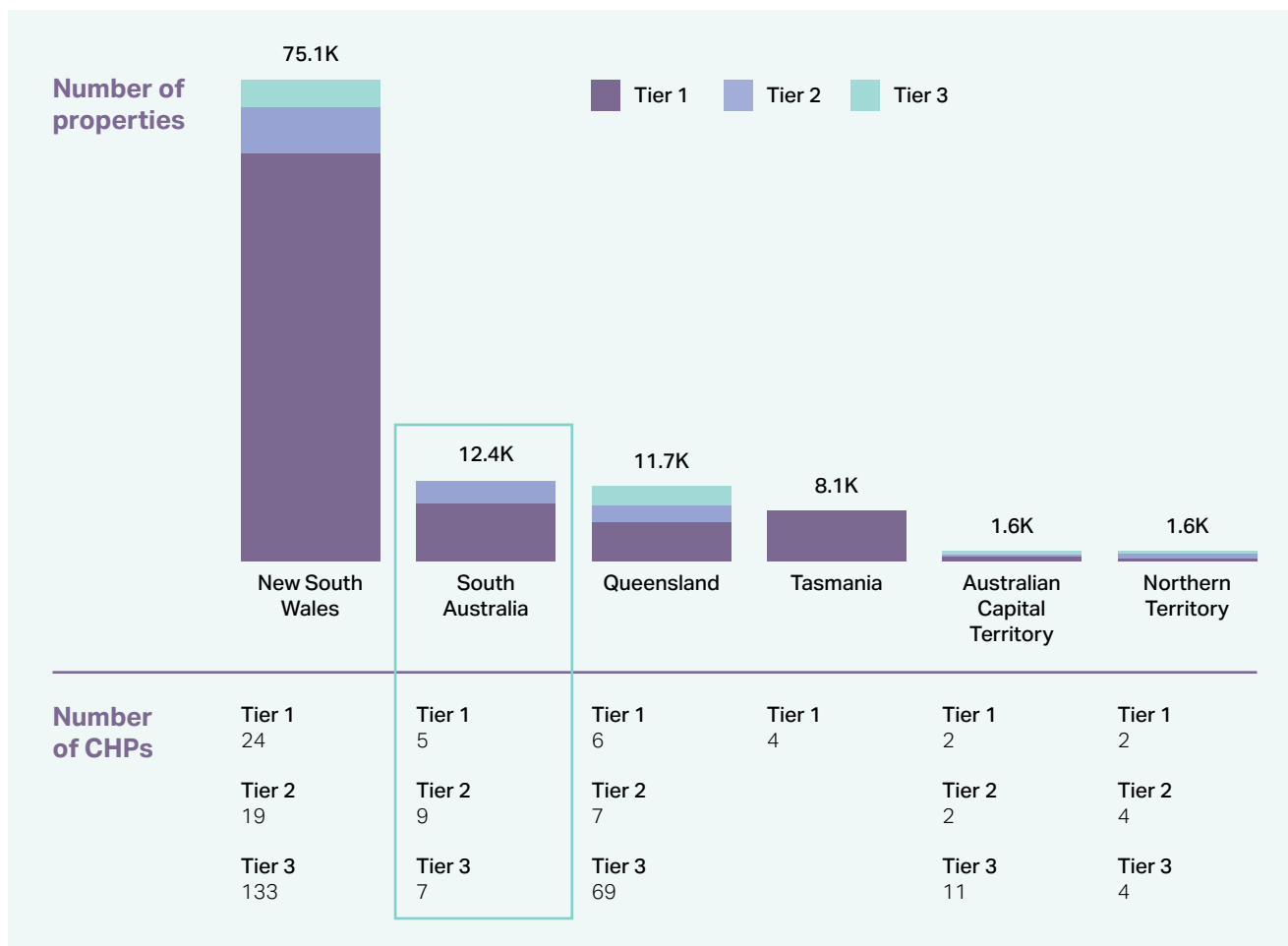
This year we continue to report Tier 3 providers separately from Tier 1 and Tier 2 providers. This is because some of the key metrics used to measure performance do not provide a meaningful picture when applied to Tier 3 providers because of their diversity and size. Presenting Tier 3 comparative data with Tier 1 and Tier 2 CHPs without detailed explanation may provide a false representation of the performance of Tier 3 providers. Some of these issues include:

- Nomination rights and specialist services may mean that properties are vacant for longer to ensure the right tenant is matched to the property.
- CHPs with a small number of properties may distort results. For example, a single vacancy can have an adverse impact on occupancy rates.

Another key distinction is the regularity of NRSCH compliance assessments. Tier 1 and Tier 2 providers are required to be assessed for compliance annually. Tier 3 providers are assessed once every two years.



CHPs by jurisdiction



The table above shows SA's registered Tier 1 and Tier 2 CHPs have the second largest jurisdictional property numbers in the NRSCH. In contrast, SA's Tier 3s have the smallest jurisdictional property numbers except for Tasmania.

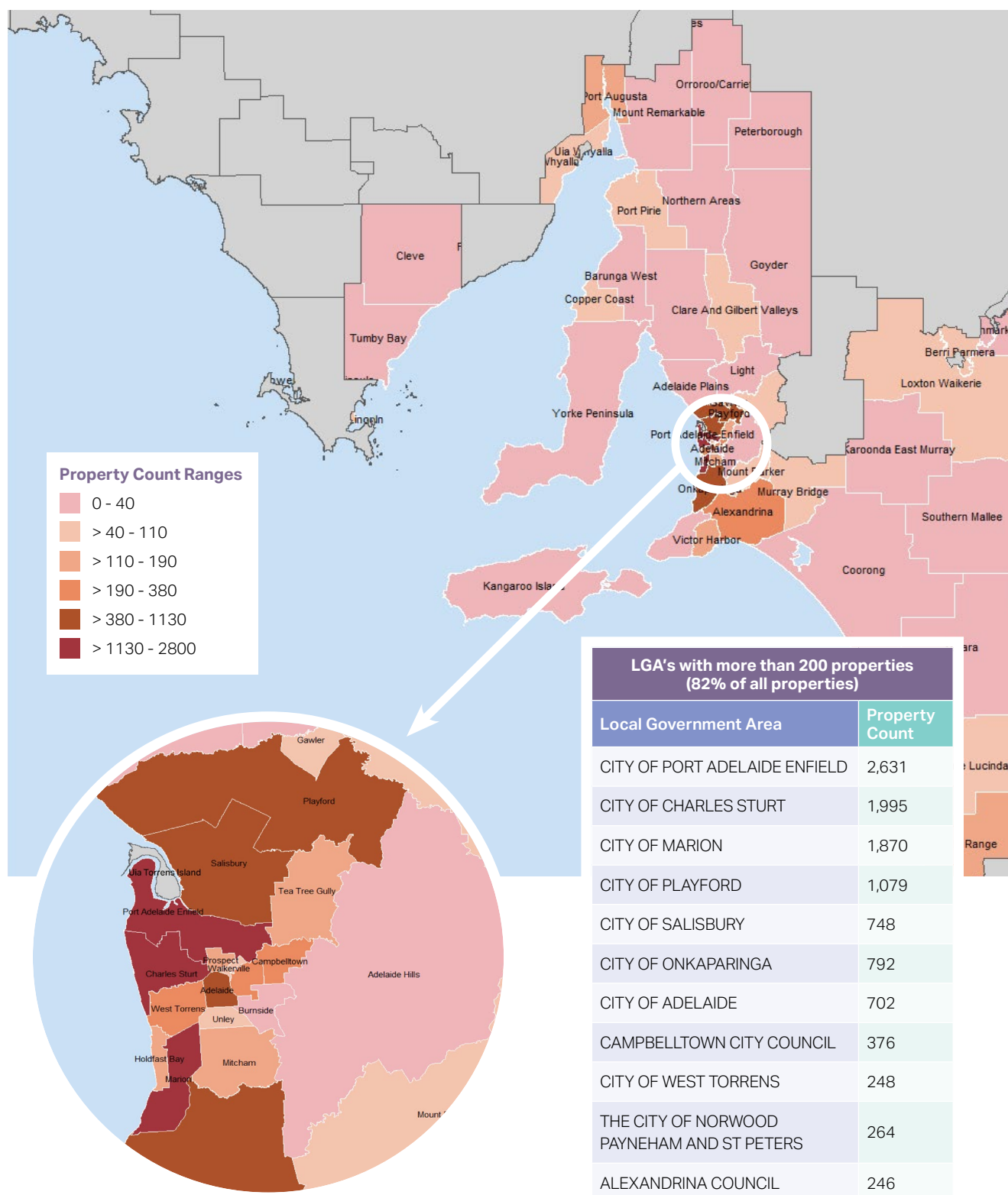
The NRSCH represents a national federated system for the regulation of CHPs across NSW, QLD, SA, TAS, ACT and the NT, which have all enacted mirror legislation called the *Community*

Housing Providers National Law. In South Australia the mirror legislation is contained within the *Community Housing Providers (National Law) (South Australia) Act 2013*.

The tier level reflects the risk attributes from property numbers and involvement in development activities. This, in turn, determines the intensity of regulatory engagement and oversight.



Community housing properties in SA



Community housing properties in SA (cont.)

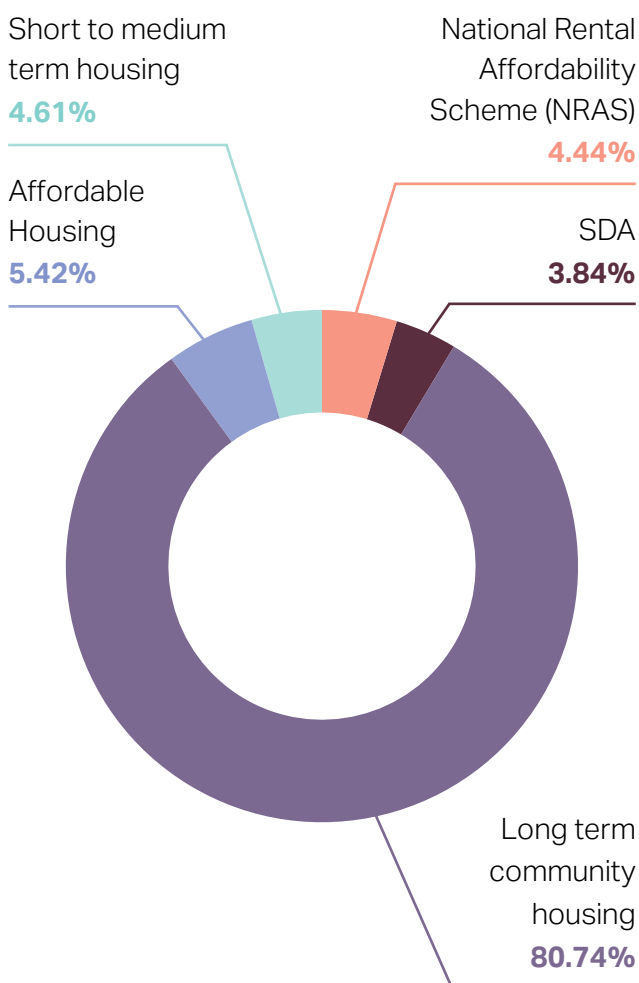
13.5k

Community housing properties in South Australia

90%

Community housing properties in SA are regulated by the SA Registrar

SA Properties by Program Type



CHP SA property ownership



The community housing sector is a major provider of housing services in SA with over 13,000 households residing in community housing across metropolitan, regional, and remote areas of SA. Community housing provides rental housing to low-to-moderate income and additional needs households.

The diagram shows a breakdown of community housing properties by program type and ownership, showing that the majority (81%) of properties are delivered under a long-term housing program and evenly split between managed and owned properties.

Housing programs include:

- Long term community housing – properties rented out for more than 12 months, mostly to those on low incomes.
- NRAS and Affordable housing – properties rented at affordable rates, often to those on moderate income levels.
- Short to medium term housing – aimed at bridging the gap between homelessness and longer-term housing, and often with support services.
- Specialist Disability Accommodation (SDA) – housing for people with disability and high support needs, allowing increased accessibility and better support delivery.



Sector information

CHPs are not-for-profit organisations that own, manage, and develop their own properties from the rents that they collect.

This report provides data and analysis for CHPs where SA is the primary registrar. The data contained in the report is provided by CHPs as part of their scheduled compliance returns to assess their compliance with the NRC.

SA Registered CHPs by tier at 30 June 2024

Tier	Number of CHPs	Change From Last Year
Tier 1	5	0
Tier 2	9	0
Tier 3	7	0
Total	21	0

There have been no changes in the number of CHPs from the previous financial year with a majority of Providers in Tier 2.



Regulatory activities

Assessing ongoing compliance of providers

This section relates to SA’s compliance related activities during 2023-2024.

Once registered, CHPs must submit a minimum set of evidence supporting their ongoing compliance with the NRC, described as a standard compliance assessment.

The NRC sets out seven performance outcomes, which are:

- PO1** Tenant and Housing Services
- PO2** Housing Assets
- PO3** Community Engagement
- PO4** Governance
- PO5** Probity
- PO6** Management
- PO7** Financial Viability

The frequency of standard compliance assessments depends on the CHPs Tier. Tier 1 and Tier 2 CHPs have a standard compliance assessment undertaken annually, whilst Tier 3 CHPs every two years.

During 2023-2024, 17 out of the 21 SA registered CHPs went through a standard compliance assessment. As shown in Table 3, over 82% of compliance assessments completed in 2023-2024 were for Tier 1 and Tier 2 CHPs.

Tier	Standard Compliance Assessments
Tier 1	5
Tier 2	9
Tier 3	3
Total	17



Regulatory activities (cont.)

Compliance assessment against each performance outcome

Performance Outcome	Compliance		Improvement opportunities raised	Recommendations raised
Tenant and Housing Services	86%	14%	2	2
Housing Assets	86%	14%	2	2
Community Engagement	100%		-	-
Governance	100%		2	-
Probity	100%		0	-
Management	93%	7%	0	1
Financial Viability	100%		7	-
			13	5

■ **Compliant**
■ **Compliant with Recommendations**

The table above shows most of the 14 Tier 1 and Tier 2 CHPs were assessed as fully compliant across the performance outcomes.

Only a small number of unrelated compliance recommendations were issued to Tier 1 and Tier 2 CHPs during 2023-2024, and they related to such matters as the CHPs tenant survey methodology, strategic asset management plans, and vacancy reporting.

For Tier 3 CHPs, three of the seven underwent a standard compliance assessment during 2023-2024, and all were issued with recommendations.

The evidence submitted by CHPs is assessed against each applicable performance outcomes under the NRC.

The possible results of the assessment for any performance outcome are:

Compliant - The CHP has submitted sufficient evidence to demonstrate ongoing compliance with the performance outcome.

Compliant with recommendations - The CHP has submitted evidence to demonstrate a minimum level of compliance with a performance outcome but needs to take further action to fully comply.

Improvement opportunities - Observations made where the provider is compliant but may need to take action to maintain compliance in the future. They may relate to low level risk areas, or activities affected by environmental issues.



Complaints

The NRSCH requires registered CHPs to have accessible and efficient complaints management systems.

Registered CHPs are required to keep complaint registers, which record the dates and outcomes of all complaints they receive. In 2022-2023, Tier 1 and Tier 2 CHPs recorded 716 complaints received directly from tenants or members of the public, representing 5.7% of total tenancies within the sector. This figure may include multiple complaints received from a single tenant.

The SA Registrar has powers to investigate complaints about the compliance of registered CHPs with the National Law, and in particular their adherence to their complaints management systems.

The table across shows the number of complaints received by the SA Registrar and provides an insight into the origin of complaints received. As in the previous year, most of the complaints originated from either direct contact from the tenant or were raised through a Member of Parliament.

-3%

Decrease in complaints handled by the SA Registrar during 2023 – 2024.

Many of the complaints related to service delivery or anti-social behaviour concerns and were referred back to CHPs to address through their complaint management processes. Where OHR did investigate a complaint, CHPs consistently demonstrated they were responding to complaints promptly and fairly.

Complaint Origin	FY2023	FY2024
Tenant	58	79
Ministerial Office	45	29
Member of the Public	5	0
Other	3	0
Total	111	108



Reporting methodology

SA consolidated result

This report provides a SA consolidated result for each NRSCH metric. The metrics are an indicator of a CHP's performance. The SA consolidated result is calculated based on the sum of the underlying data for all Tier 1 and Tier 2 providers regulated under the NRSCH.

For example, the SA consolidated result for tenant satisfaction with housing services is 89%, this is calculated by summing all satisfied tenant survey responses divided by the sum of all tenant surveys returned: $3,545 / 3,990 = 89\%$.

The SA consolidated result reflects the overall performance of the sector, which is a departure from previous reporting practices where individual CHP performance and median results were reported.

The Tier 1 and Tier 2 performance visual is also derived using the same methodology as the SA consolidated result, split by tier.

Provider performance

The NRSCH has established metrics and indicators for operational and financial measures. Data submitted by CHPs is used to calculate the key performance metrics. The threshold is used as an indicative guide to assessing performance. The key performance metrics do not determine compliance by themselves, but, rather, provide a starting point to assess performance.

A **green light** indicates that the CHP has met the threshold range.

An **amber** or **red** traffic light indicates that the data does not meet the threshold range. This does not mean the CHP has 'failed' a performance requirement or outcome, rather, this will prompt the Registrar to seek contextual and other factors contributing to the result.

The coloured horizontal bar chart shows the percentage of CHPs that reported performance in each of the threshold ranges.

To illustrate, the tenantable turnaround provider performance table below shows 77% of Tier 1 and Tier 2 providers performed in the "**green**" threshold range (< 14 days average turnaround), 15% of CHPs performed in the "**amber**" threshold range (14 – 29 average turnaround) and 8% of CHPs performed in the "**red**" threshold range (> 29 days average turnaround):

Tenable turnaround Provider performance



Tenants satisfied with housing services

3,545 tenants satisfied with housing services
(+1% from last year)

89%

tenant surveys returned to inform housing services satisfaction

3,990

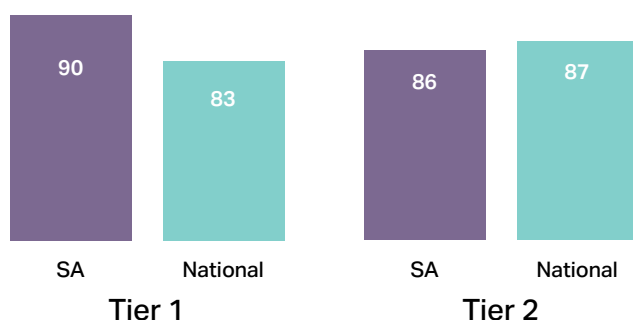
CHP performance against thresholds



Tenant satisfaction surveys are a key indicator of the consumer experience with SA's registered CHPs.

Tenant satisfaction with housing services in SA remained high with an average satisfaction rate of 89% across the sector. This contributed to green traffic light results for 93% of CHPs who have satisfaction rates above 75%.

SA's Tier 1 CHPs continued to perform well above the national average in the table below.



NRSCH Thresholds

Tenant satisfaction with housing services

Green light >= 75% satisfied

Amber light 50% - 74% satisfied

Red light < 50% satisfied

Tenants satisfied with maintenance

3,313 tenants satisfied with maintenance
(no change from last year)

85%

tenant surveys returned to inform maintenance satisfaction

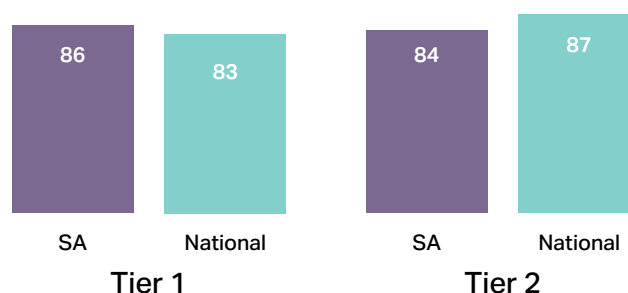
3,882

CHP performance against thresholds



Performance Outcome 2 (Housing Assets) requires CHPs to plan and undertake responsive, cyclical and life-cycle maintenance. Tenant satisfaction with the maintenance is a key indicator that CHP properties are being maintained.

Tenant satisfaction with maintenance in the SA sector has remained high at 85%. Green traffic light results were achieved for 86% of SA's CHPs who achieved satisfaction rates above 75%.



NRSCH Thresholds

Tenant satisfaction with maintenance

Green light >= 75% satisfied

Amber light 65% - 74% satisfied

Red light < 65% satisfied



Tenants satisfied with the condition of their property

3,425 tenants satisfied with the condition of their property

(no change from last year)

88%

tenant surveys returned to inform housing condition

3,912

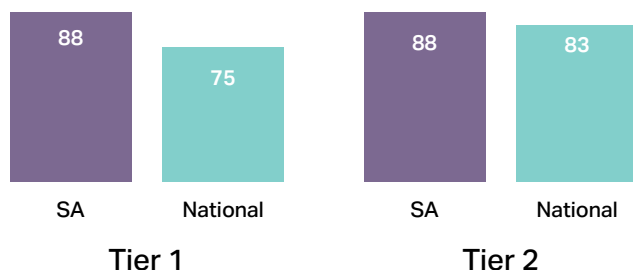
CHP performance against thresholds

100%

Tenant satisfaction with the condition of their property is another indicator that a CHP's properties are providing a satisfactory level of housing amenity under Performance Outcome 2 (Housing Assets).

Similar with other survey measures, tenant satisfaction with property condition remained high in the SA community housing sector at 88%.

The above table shows all (100%) of CHPs achieved a green traffic light with tenant satisfaction results above 75%. SA's Tier 1 CHPs have continued to perform favourably nationally in the table below.



NRSCH Thresholds

Tenant satisfaction with housing condition

Green light $\geq 75\%$ satisfied

Amber light 65% - 74% satisfied

Red light $< 65\%$ satisfied



Responsive to urgent repairs

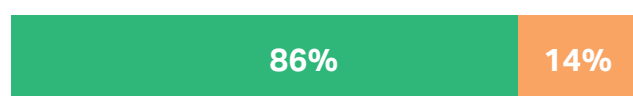
9,996 urgent repairs completed on-time
(No change from last year)

96%

urgent repair requests

10,408

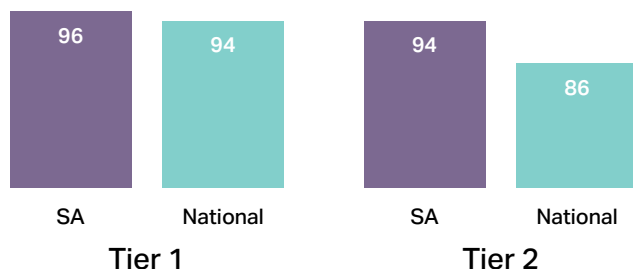
CHP performance against thresholds



Completion of urgent repair requests is a key indicator under Performance Outcome 2 (Housing Assets) that shows how responsive a CHP is to addressing high priority repair requests, such as an event involving emergency services or maintenance that may affect a tenant's health or safety.

Overall, 96% of urgent repairs were completed on-time in SA.

The above bar shows 86% of CHPs met the green traffic light for completion timeframes set either through contractual arrangements or by the CHP.



NRSCH Thresholds

Urgent repairs completed on-time

Green light $\geq 90\%$ on-time

Amber light 79% - 89% on-time

Red light $< 79\%$ on-time

Responsive to non-urgent repairs

25,420 non-urgent repairs completed on-time
(+1% from last year)

92%

non-urgent repair requests

27,730

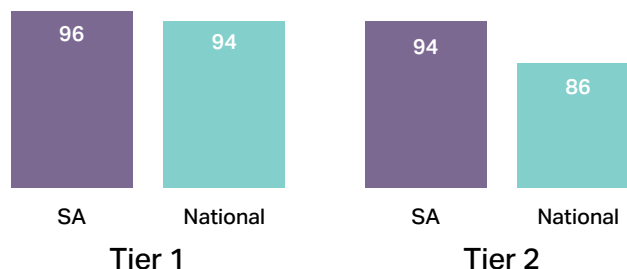
CHP performance against thresholds



Completion of non-urgent repair requests show how responsive (by time and outcome) CHPs were to addressing maintenance that causes inconvenience or amenity issues for a tenant. Completion timeframes are set similarly to urgent repairs.

SA had 92% of non-urgent repairs completed on-time, with all (100%) SA's CHPs reporting green traffic light performance

SA's CHPs have continued to perform favourably compared to national results.



NRSCH Thresholds

Non-urgent repairs completed on-time

Green light $\geq 80\%$ on-time

Amber light 70% - 79% on-time

Red light $< 70\%$ on-time



Tenantable turnaround times

Average turnaround time for tenantable unit relets

(-5 days from last year)

14 days

6,240 Vacant days for tenantable units

Relets for tenantable units

446

CHP performance against thresholds



Performance Outcome 6 (Management) requires CHPs to demonstrate that they manage their vacancies efficiently. Tenantable turnaround time is an indicator of how long it takes on average to fill a vacant tenantable property. A property is defined as tenantable when it is in a fit and habitable condition for occupation by a new tenant.

On average the sector has taken 14 days to relet a tenantable property. There are 77% of CHPs that on average met the 14 day green light threshold.

Efficiencies in tenant reletting practices have contributed to a reduction in vacant tenantable days from last year.



NRSCH Thresholds

Tenantable turnaround times

Green light ≤ 14 days

Amber light 14 - 29 days

Red light > 29 days

Untenantable turnaround times

Average turnaround time for untenantable unit relets

(-13 days from last year)

29 days

21,797 Vacant days for untenantable units

Relets for untenantable units

747

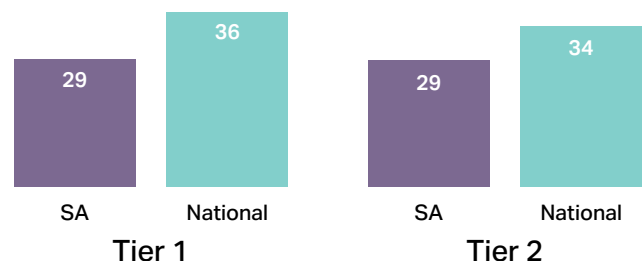
CHP performance against thresholds



Untenantable turnaround times is a key indicator of how long it takes to perform major maintenance work to relet a property.

Average untenantable turnaround times have improved to 29 days. This also resulted in an improvement with the traffic light results for CHPs.

SA's CHPs performed favourably nationally in the table below.



NRSCH Thresholds

Untenantable turnaround times

Green light ≤ 28 days

Amber light 29 - 35 days

Red light > 35 days



Eviction rates

Eviction to exits rates

(+1% change from last year)

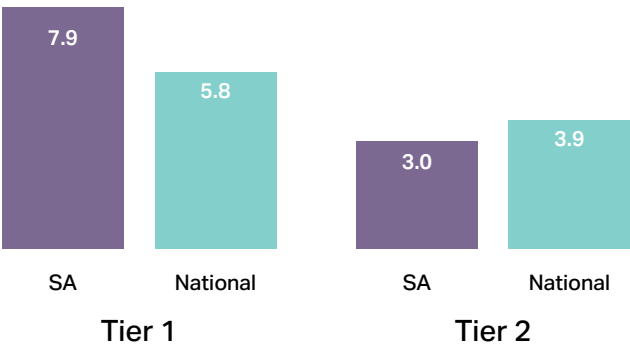


Tenancy exits for the year



115 Tenancy evictions for the year

CHP performance against thresholds



NRSCH Thresholds

Eviction Rate

Green light <= 10%

Amber light 11% - 12%

Red light > 12%

Evictions as a percentage of exits is an indicator of the proportion of unsuccessful tenancies under Performance Outcome 1 (Tenant and housing services).

An eviction is defined as a warrant or order for vacant possession and the subsequent termination of a tenancy through the South Australian Civil and Administrative Tribunal. Evictions relate to a breach of a tenancy agreement and are essentially driven by tenant behavior such as a failure to pay rent or anti-social behavior. Exits are defined as the ending of a tenancy and includes evictions.

Tenancy eviction numbers have remained similar to prior years where they represent 7% of exits. Although eviction numbers have remained steady, declining tenancy exits due to the housing crisis have caused CHP eviction rates to increase.

The bar above shows 82% of CHPs have eviction rates within the green threshold of 10%, however declining exits are resulting in amber traffic light performance for some CHPs.

From the 1 July 2025, eviction rates will measure number of evictions against number of tenancies.



Houses occupied

Occupancy rate for
tenantable units

(No change from last year)

99%

Vacant tenantable
units (30 June 2023)

80

CHP performance against thresholds

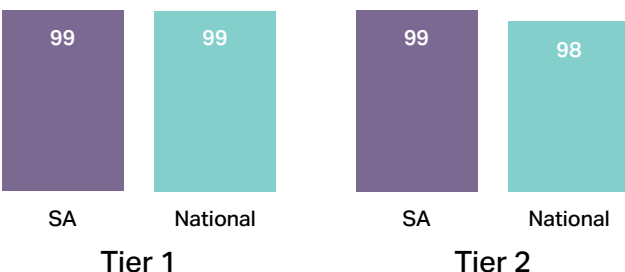
91%

9%

Occupancy rate as an indicator to assess how CHPs manage their tenantable properties under Performance Outcome 6 (Management).

As in the previous financial year, the SA community housing sector reported 99% of their tenantable properties occupied.

There are 91% of CHPs that met the green traffic light threshold by having more than 97% of their tenantable properties occupied.



NRSCH Thresholds

Occupancy rate

Green light $\geq 97\%$

Amber light $< 97\%$

Rent outstanding

Rent outstanding as a percentage
of total potential rent

(No change from last year)

1%

CHP performance against thresholds

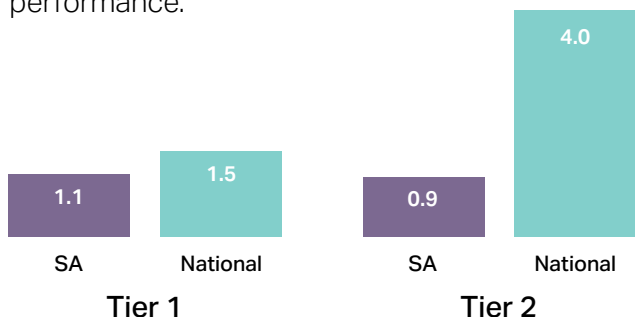
100%

Rent outstanding represents the rent outstanding for tenants as a percentage of total potential income. It is a key performance indicator of the effectiveness of a CHPs rent collection and rent arrears management policy and practices under Performance Outcome 6 (Management).

SA's community housing rent arrears from current and ex tenants represent 1% of total potential rent annually.

All SA's CHPs have demonstrated strong rent arrears management practices by containing rent arrears to within the 2.5% green traffic light threshold.

The table below shows SA's CHPs have comparatively low rent arrears against national performance.



NRSCH Thresholds

Rent outstanding

Green light $\leq 2.5\%$

Red light $> 2.5\%$



A financially viable sector

This Report provides an overview of the financial performance of the community housing sector.

Financial viability is one of seven performance outcomes specified in the NRC.

The assessment of financial viability is an integrated process involving a review of audited financial statements, financial performance reports which includes the budget and forecasts, business planning documents such as operational and strategic plans and other information that supports financial analysis.

Financial viability is assessed against three broad criteria:

1. Ensuring a viable capital structure (PO7a)
2. Maintaining appropriate financial performance (PO7b), and
3. Managing financial risk exposure (PO7c).



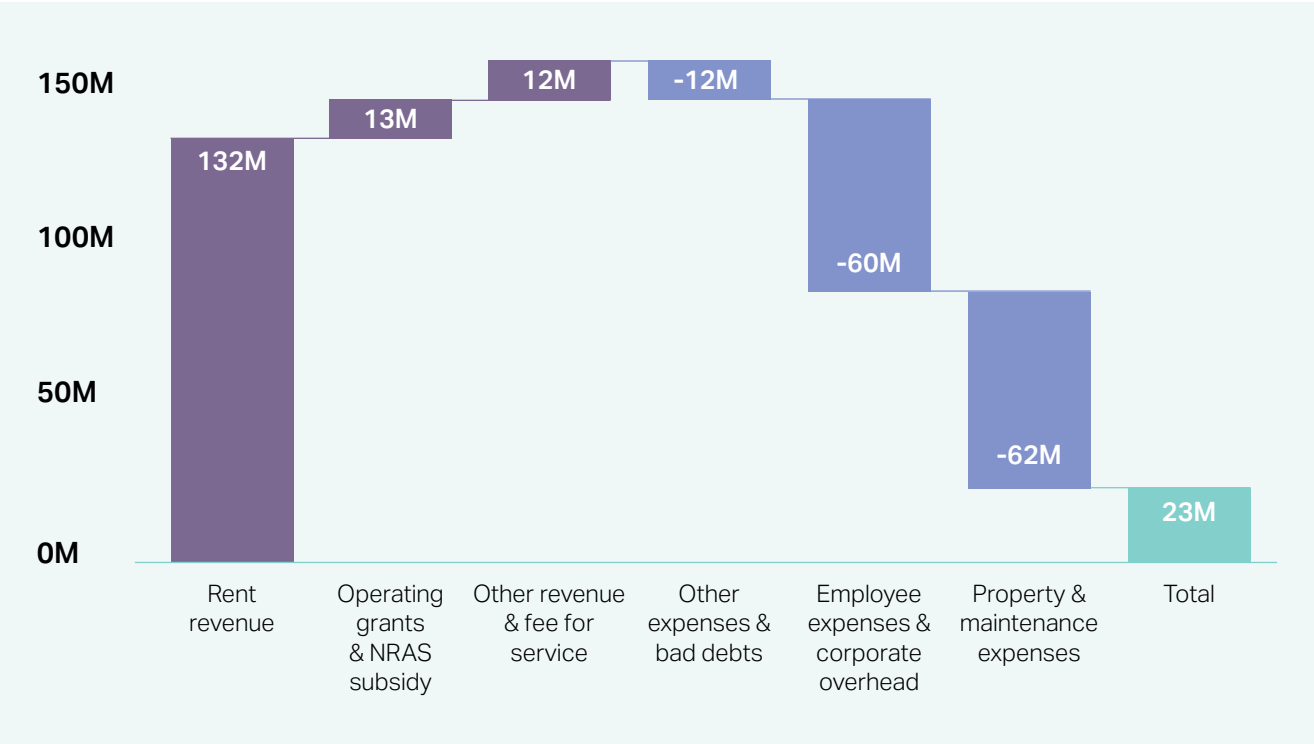
Profitability Analysis

The waterfall chart below shows rent, staffing and property related expenses are the main operational inflows and outflows for CHPs.

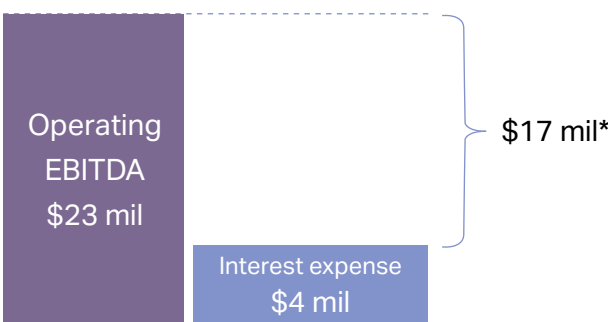
The 2022-2023 Operating Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) margins remain healthy for the sector at \$23.1m.

Legend:

- Inflow
- Outflow
- FY 2023 EBITDA



Operating EBITDA is a measure of operational profitability, showing the available surplus after operational costs to service debt or reinvest in operations.



*Before depreciation, amortisation and tax

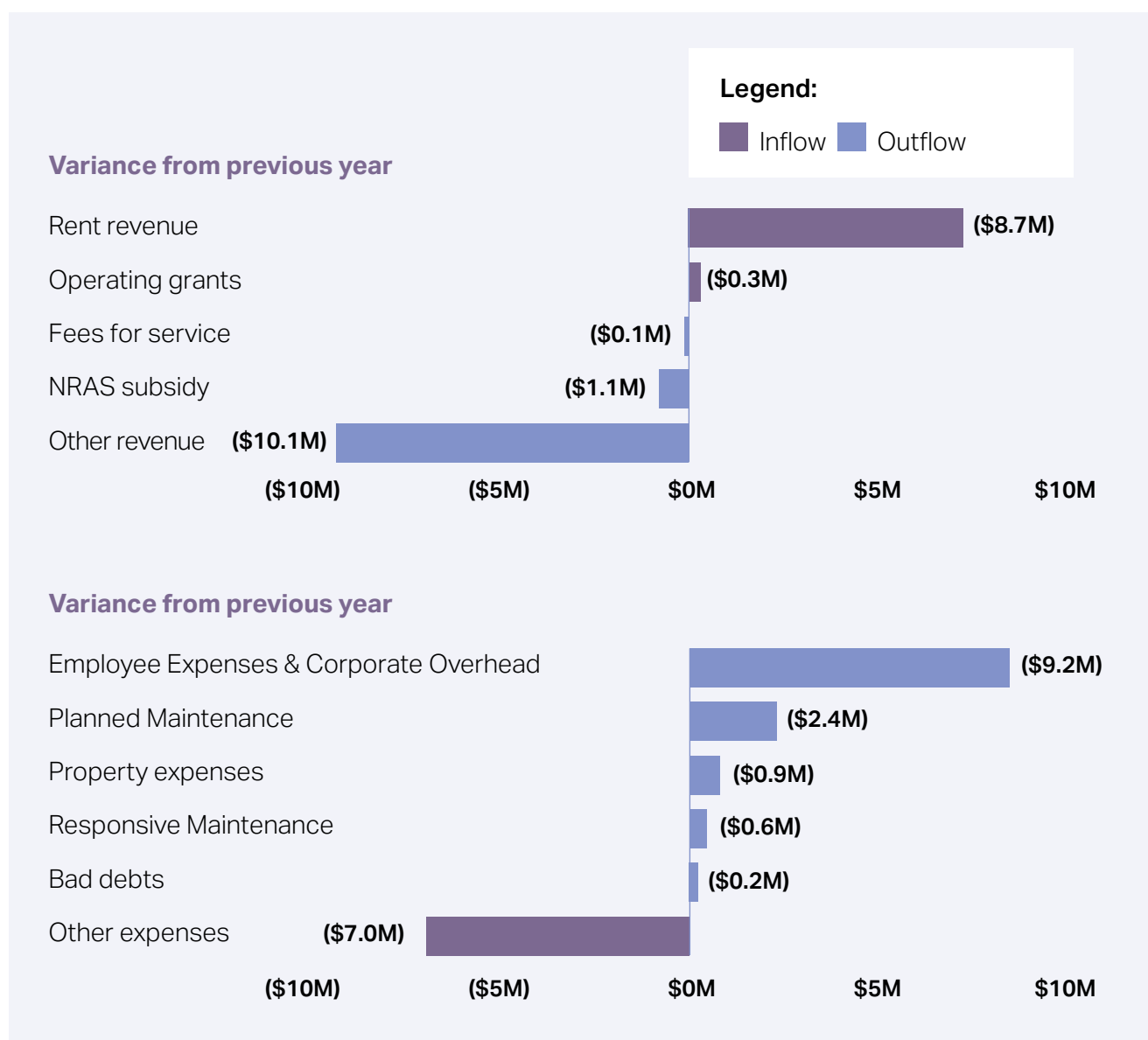


Profitability Analysis (cont.)

Rent revenue in 2022-2023 increased by \$8.7m, with the increase attributed to new tenant support funding as well as increases in Centrelink benefits.

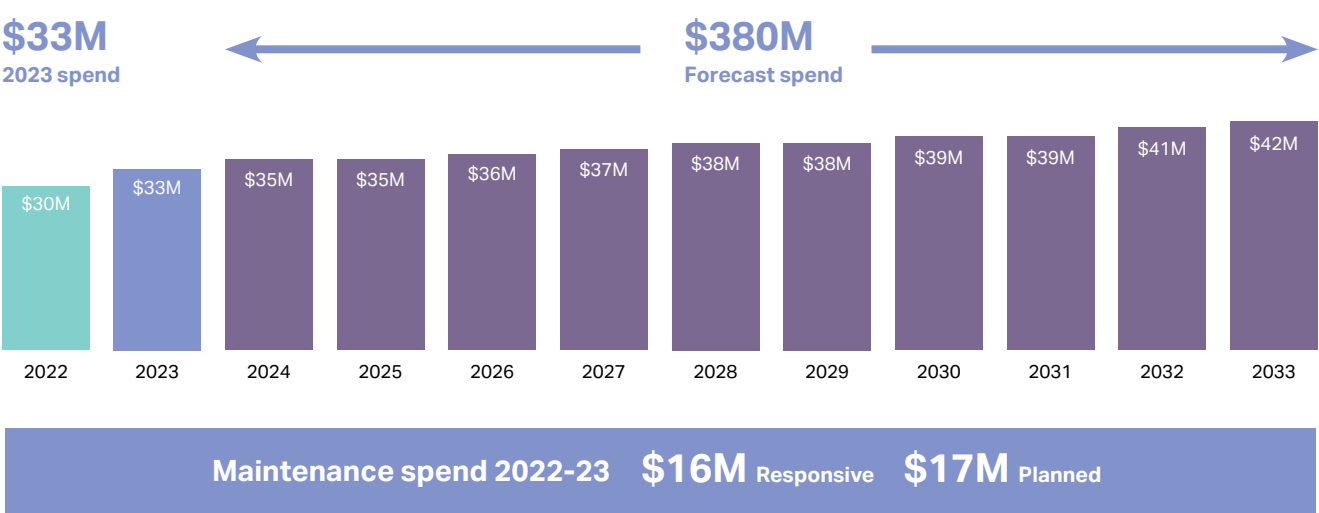
Other revenue decreased due to a change in the accounting treatment of property lease arrangements, which also attributed to the decrease in Other expenses.

Expenditure on employee and corporate costs increased by \$9.2m from last year, being attributed to increases in employee costs and the investment in new tenant support programs and corporate systems.



Tier 1 and Tier 2 financial performance

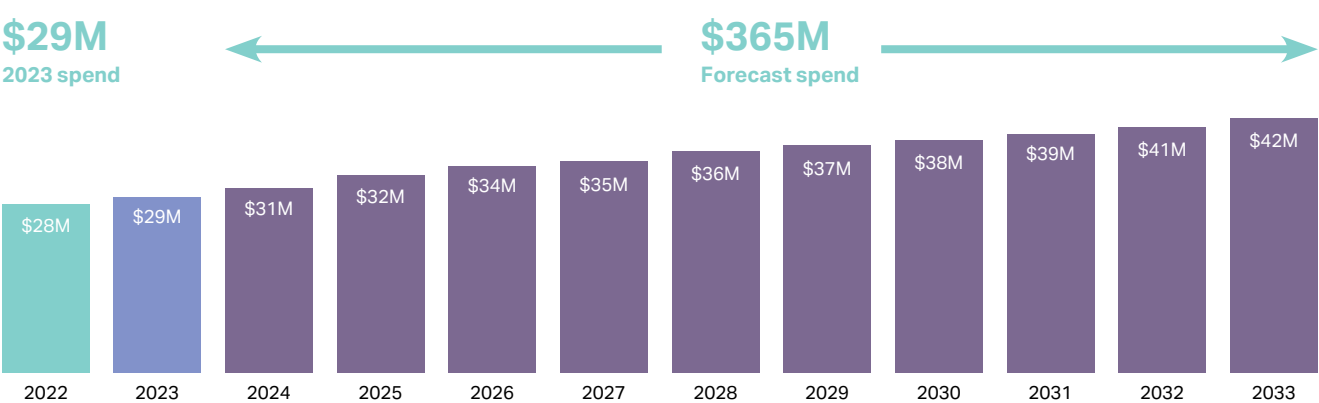
Maintenance expenses – actuals and forecast



Registered CHPs are required to plan and undertake responsive, cyclical and life cycle maintenance to maintain property conditions.

The above shows that the sector is forecasting a significant investment to maintain community housing assets.

Property expenses – actuals and forecast



Property expenses have grown since last year and are expected to incline steadily with inflation.

These are usually driven by increased:

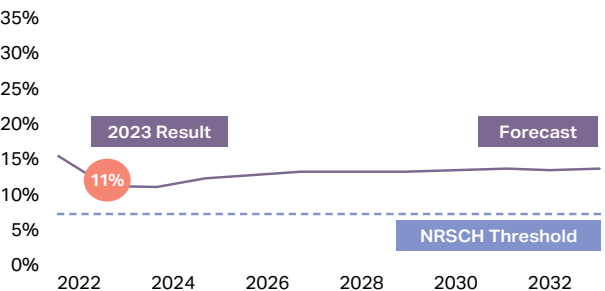
- insurance premiums
- rates triggered by an increase in capital values
- property expenses including utilities, property management fees and rental expenses.



Strong financial performance

Operating EBITDA Margin – Tier 1

Tier 1 consolidated result and forecast



CHP performance against thresholds



The operating EBITDA margin is a key measure of profitability and is monitored under the NRSCH to ensure CHPs are generating sufficient margins to absorb either one off events or adverse economic conditions.

Tier 1 CHPs experienced a decline in their consolidated margin from 2021-2022 (15%) to 2022-2023 (11%), however remain above the 8% NRSCH green traffic light threshold. Tier 1s are forecasting their margins to improve in the long term.

The diagram above shows 80% of SA's Tier 1 CHPs performed above the green threshold, and the diagram below shows their performance against other Tier 1 CHPs nationally.



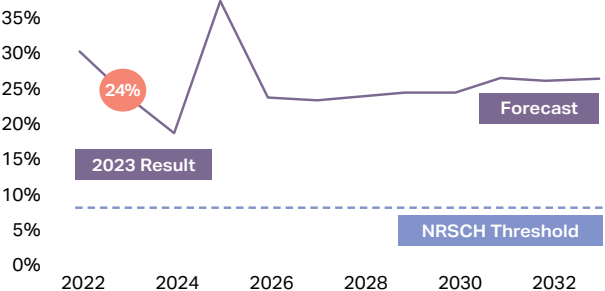
NRSCH Thresholds

Operating EBITDA Margin

Green light Tier 1 $\geq 8\%$ Red light Tier 1 $< 8\%$

Operating EBITDA Margin – Tier 2

Tier 2 consolidated result and forecast



CHP performance against thresholds

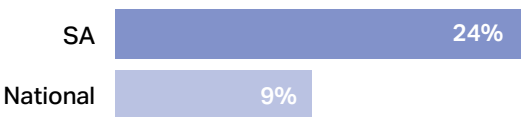


The above chart shows Tier 2 CHP forecasted trends with their Operating EBITDA Margins. The NRSCH sets a lower green light threshold of 3%, with most forecasting to remain above this.

Tier 2 CHPs produced a consolidated Operating EBITDA margin of 24%, which is significantly above the 3% threshold set for Tier 2 CHPs, and forecast to remain at this level in the outer forecast years.

The dip and spike in Operating EBITDA margins over 2022 to 2025 is attributed to one-off events with two CHPs.

The diagram above shows 78% of SA Tier 2 CHPs met the threshold.



NRSCH Thresholds

Operating EBITDA Margin

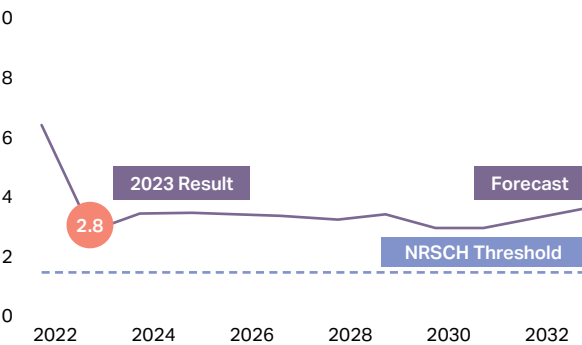
Green light Tier 2 $\geq 3\%$ Red light Tier 2 $< 3\%$



Debt costs covered

Interest Cover – Tier 1

Tier 1 consolidated result and forecast



CHP performance against thresholds



The Interest Coverage Ratio (ICR) measures how many times a CHP can cover its interest payments from available earnings and is a key measure of the ability to service loans obligations.

Similar to the forecasted movements in Operating EBITDA, Tier 1 CHPs showed a consolidated decline in their ICRs from 2021-2022 (6.3) to 2022-2023 (2.8), however all remain above the 1.5 NRSCH green traffic light threshold. Tier 1s are forecasting their ICRs to remain steady above the threshold.

The above diagram shows all Tier 1 CHPs reported ICRs within the green threshold.



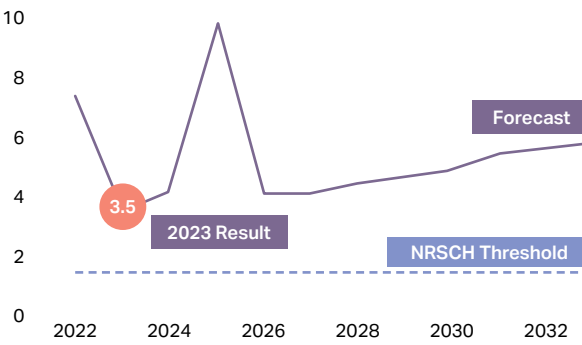
NRSCH Thresholds

Interest Cover

Green light Tier 1 ≥ 1.5 Red light Tier 1 < 1.5

Interest Cover – Tier 2

Tier 2 consolidated result and forecast



CHP performance against thresholds



Tier 2 CHPs produced a consolidated ICR of 3.5 times against the green light threshold of 1.5 times in 2022-2023, with the outer forecast to steadily increase.

Similar to the forecasted movement in Operating EBITDA, the dip and spike in consolidated ICRs from 2022-2025 being attributed to one-off events.

The above diagram shows 89% of Tier 2 CHPs performed above the green threshold in 2022-2023.



NRSCH Thresholds

Interest Cover

Green light Tier 2 ≥ 1.5 Red light Tier 2 < 1.5



Community housing debt

The 2022-2023 growth in debt was a result of additional loans taken out from private institutions for housing development. Most of the SA sector debt is held by Tier 1 CHPs, with most debt sourced from Housing Australia (formerly NHFIC).

Outstanding CHP debt

	Housing Australia (NHFIC)	Other financier	
Tier 1	\$119.6M	\$18.0M	\$137.6M
Tier 2	\$12.5M		



80%

of SA CHP debt with
Housing Australia (NHFIC)
at 30 June 2023



\$150M

Total loans at 30 June 2023



+\$7M

In loans since FY2022

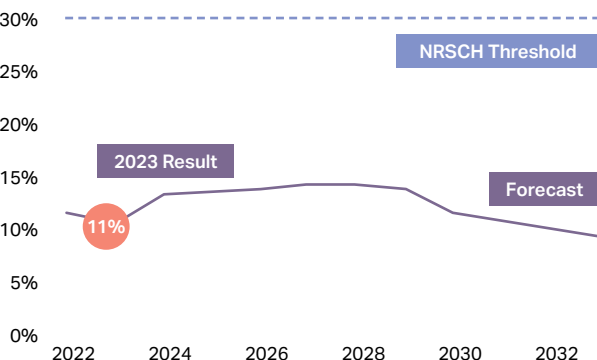
Housing Australia debt is sourced through its Affordable Housing Bond Aggregator facility, which enables CHPs to obtain low cost, long term, fixed rate, interest only loans.



Debt risks mitigated by providers

Gearing Ratio – Tier 1

Tier 1 consolidated result and forecast



CHP performance against thresholds

100%

The gearing ratio is used to determine sustainable loan levels and is monitored under NRSCH to ensure the CHPs capital structure is viable in the long term. The NRSCH green traffic light threshold for gearing ratio is 30% or less. The gearing ratio is calculated as total payable loans divided by total assets.

Tier 1 CHPs produced a consolidated gearing ratio of 11% in 2022-2023, which is within the green light threshold of 30%. CHPs are forecasting gearing ratios to remain in the 10-15% range.



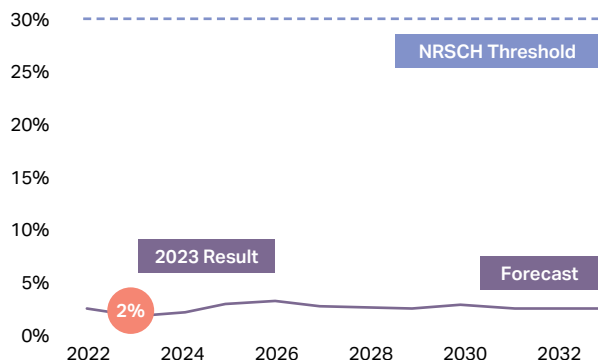
NRSCH Thresholds

Gearing Ratio

Green light Tier 1 $\leq 30\%$ Red light Tier 1 $> 30\%$

Gearing Ratio – Tier 2

Tier 2 consolidated result and forecast

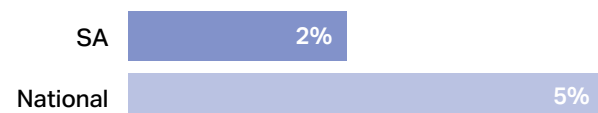


CHP performance against thresholds

100%

Tier 2 CHPs produced a consolidated gearing ratio of only 2% in 2022-2023 which is well within the 30% green light threshold, and forecast to remain at this level.

Similar to SA's Tier 1 CHPs, SA's Tier 2 CHPs are less geared than Tier 2's nationally from the diagram below.



NRSCH Thresholds

Gearing Ratio

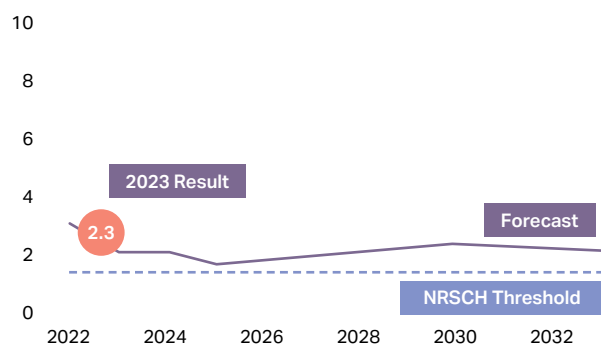
Green light Tier 2 $\leq 30\%$ Red light Tier 2 $> 30\%$



Sufficient liquidity

Working Capital Ratio – Tier 1

Tier 1 consolidated result and forecast



CHP performance against thresholds



The working capital ratio is a key measure of liquidity and is monitored under NRSCH to ensure CHPs have sufficient capacity to absorb adverse events. Working capital ratio is available liquid assets to cover short term liabilities.

Tier 1 CHPs produced a consolidated working capital ratio of 2.3 times in 2022–2023, with 80% performing above the 1.5 NRSCH green light threshold.



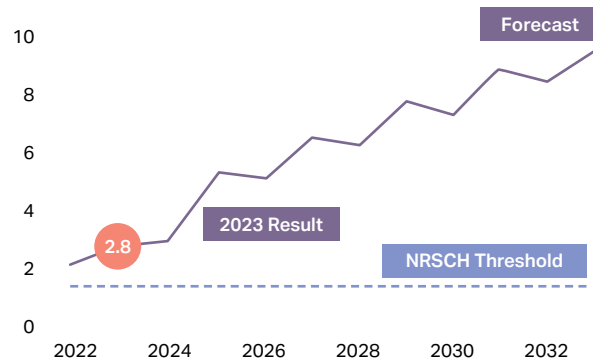
NRSCH Thresholds

Working Capital Ratio

Green light Tier 1 ≥ 1.5 Red light Tier 1 < 1.5

Working Capital Ratio – Tier 2

Tier 2 consolidated result and forecast



CHP performance against thresholds



Tier 2 CHPs produced a consolidated working capital ratio of 2.8 times in 2022–2023, and is forecast to steadily increase.

In 2022–2023, 78% of Tier 2 CHPs performed above the 1.5 NRSCH green light threshold.

SA's CHPs performed favourably nationally in the table below.



NRSCH Thresholds

Working Capital Ratio

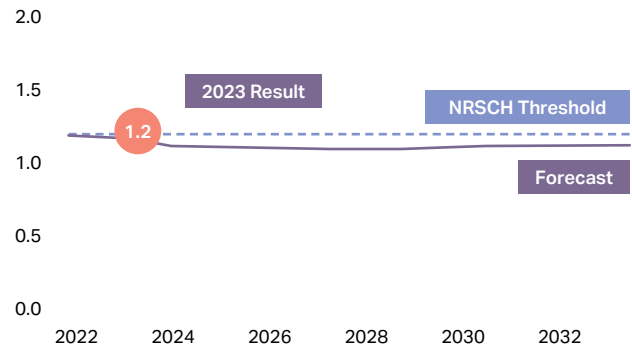
Green light Tier 2 ≥ 1.5 Red light Tier 2 < 1.5



Sound cash flows

Operating Cash Flow Adequacy – Tier 1

Tier 1 consolidated result and forecast



CHP performance against thresholds



Operating cash flow adequacy measures a CHP's ability to generate cash inflows from its operating activities to cover its cash outflows from those activities.

Thresholds for Operating Cash Flow are 1.2 times or above for Tier 1 CHPs to mitigate loans finance and development risks. A ratio above 1.0 indicates that a CHP's cash inflows generated from operations are enough to meet outgoing cash outflows.

Tier 1 CHPs produced a consolidated operating cash flow adequacy ratio of 1.2 times in 2022 – 2023, with 80% of Tier 1s performing above the green threshold of 1.2. All are forecasting to trend between 1.0 and 1.2 times in future years.



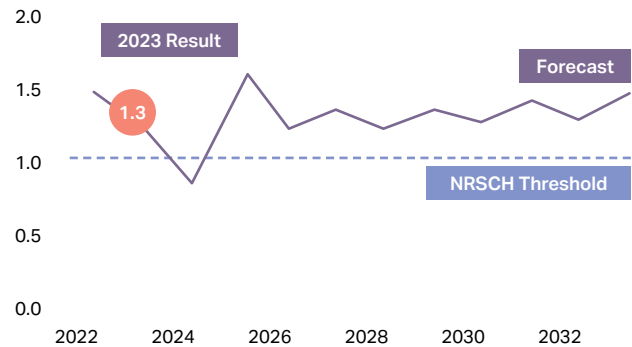
NRSCH Thresholds

Cashflow Adequacy Ratio

Green light Tier 1 ≥ 1.2 **Red light** Tier 1 < 1.2

Operating Cash Flow Adequacy – Tier 2

Tier 2 consolidated result and forecast



CHP performance against thresholds



Tier 2 CHPs produced a consolidated operating cash flow adequacy ratio of 1.3 times in 2022–2023, which is above the 1.05 NRSCH green light threshold for Tier 2s

The forecast temporarily dips in 2023–2024 and spikes in 2024–2025, which mirrors the Tier 2 Operating EBITDA trend, and then remains steady in the outer forecast years.

89% of Tier 2 CHPs performed above the green threshold of 1.05 times.



NRSCH Thresholds

Cashflow Adequacy Ratio

Green light Tier 2 ≥ 1.05 **Red light** Tier 2 < 1.05



Housing developments completed in 2022-2023



185

Social and affordable housing developments completed

Tier 1



Tier 2



The NRSCH assesses how CHPs plan, monitor and deliver their housing development programs.

CHPs in SA continue to make an impact on housing supply in 2022-2023, with the completion of 185 housing units aimed at addressing the ongoing demand for social and affordable housing.

The table below shows most housing developments related to social housing. It also shows 64% of total housing developments in 2022-2023 were completed by Tier 1 CHPs.

Type of housing	T1	T2
Social	50	44
Affordable	50	1
Sold to market	18	22
Total	118	67

Of 118 housing properties developed by Tier 1 CHPs, 89% were developments in the north and north western suburbs of Adelaide with the rest in the south west or eastern suburbs.

There has been a strong focus on the development of units and apartments by Tier 1 providers, with this type of accommodation comprising the majority of the properties.

Split by type of accommodation	T1	T2
Units / apartments	83	30
Townhouses/ houses	35	37
Total	118	67



Appendix – Non-financial metrics

Definitions

Housing services satisfaction

Tenants expressing satisfaction with the overall quality of housing services as a percentage of surveys returned.

Maintenance satisfaction

Tenants who express satisfaction with maintenance services as a percentage of those answering the question.

Housing condition satisfaction

Tenants who express satisfaction with overall condition of the housing unit as a percentage of those answering the question.

Urgent repairs on-time

Urgent repairs completed within jurisdictional requirements as a percentage of urgent repairs requested including requests outstanding from the previous year.

Non-urgent repairs on-time

Non urgent repairs completed within jurisdictional requirements as a percentage of non urgent repairs requested including requests outstanding from the previous year.

Tenantable turnaround time

Average calendar days vacant (tenantable) determined with reference to the total number of actual vacant tenantable properties relet.

Untenantable turnaround time

Average calendar days vacant (untenantable) determined with reference to the total number of actual vacant untenantable properties relet.

Eviction rate

Tenants evicted as a percentage of the total number of exits for the year.

Occupancy Rate

Occupied units as a percentage of the total number of tenancy units.

Rent outstanding

Rent outstanding from current and ex tenants as a percentage of total potential rental income.



Appendix – Financial metrics

Definitions

Operating EBITDA margin

Operating EBITDA (Operating Earnings before interest, tax, depreciation and amortisation) / Operating Revenue

Working Capital Ratio

Current Assets less unspent capital grants / Current Liabilities less (capital grants received in advance and accommodation bonds)

Operating Cashflow Adequacy Ratio

Operating Cash Inflows / Operating Cash Outflows

Interest Cover

Operating EBITDA / Financing costs and lease interest paid

Gearing Ratio

Total repayable debt / Total assets



Appendix – Acronyms and Abbreviations

CHP Community Housing Provider

A non-government entity that provides community housing.

FPR Financial Performance Report

Used to collect financial information from CHPs that are structured to collect information by different business segments in addition to a provider's consolidated accounts.

NHFIC National Housing Finance and Investment Corporation (now known as Housing Australia)

Operates three finance programs and offers finance to CHPs through one of these programs, the Affordable Housing Bond Aggregatory loans.

NRC National Regulatory Code

The seven performance outcomes that registered housing providers must comply with as a registered community housing provider: Tenant and housing services, Housing Assets, Community Engagement, Governance, Probity, Management, and Financial Viability.

NRSCH National Regulatory System for Community Housing

A national system of registration, monitoring and regulation of community housing providers to encourage the development, viability and quality of community housing to promote confidence in the good governance of registered community housing providers.

OHR Office of Housing Regulation

The administrative business unit within the SA Housing Trust headed up by the South Australian Registrar appointed under the *Community Housing Providers (National Law) (South Australia) Act 2013*.



Appendix – Tier 1 and Tier 2 CHPs

Registered Tier 1 and Tier 2 CHPs in South Australia as of 30 June 2024 that have South Australia as their primary jurisdiction.

ENTITY NAME	ENTITY TYPE	CURRENT TIER
Anglicare SA Housing Ltd (t/a Believe Housing)	Company limited by guarantee	Tier 1
Housing Choices South Australia Ltd	Company limited by guarantee	Tier 1
Junction and Women's Housing Ltd	Company limited by guarantee	Tier 1
Unity Housing Company Ltd	Company limited by guarantee	Tier 1
UnitingSA Housing Ltd	Company limited by guarantee	Tier 1
Access 2 Place Ltd as trustee for The Disability Housing Trust of South Australia	Charitable Trust	Tier 2
Cornerstone Housing Limited	Company limited by guarantee	Tier 2
Julia Farr Housing Association Inc.	Incorporated association	Tier 2
Minda Housing Limited	Company limited by guarantee	Tier 2
Salvation Army Housing	Company limited by guarantee	Tier 2
Uniting Country Housing Ltd	Company limited by guarantee	Tier 2
Westside Housing Company Ltd	Company limited by guarantee	Tier 2
YourPlace Housing Ltd	Company limited by guarantee	Tier 2
Common Equity Housing South Australia Ltd	Company limited by guarantee	Tier 2



Appendix – Tier 3 CHPs

Registered Tier 3 CHPs in South Australia as of 30 June 2024 that have South Australia as their primary jurisdiction.

ENTITY NAME	ENTITY TYPE	CURRENT TIER
Carrington Cottages Limited	Company limited by guarantee	Tier 3
MERZ Housing Co-operative Incorporated	Incorporated association	Tier 3
North East Housing Co-operative Incorporated	Incorporated association	Tier 3
Pennylane Housing Co-operative Incorporated	Incorporated association	Tier 3
Southern Housing Support Co-operative Incorporated	Incorporated association	Tier 3
SYC Ltd	Company limited by guarantee	Tier 3
Town & Country Housing Incorporated	Incorporated association	Tier 3



For information on the National Regulatory System
for Community Housing please visit:

 [**nrsch.gov.au**](https://nrsch.gov.au)